

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Filer Charter Township	County Manistee
Audit Date 3/31/05	Opinion Date 6/14/05	Date Accountant Report Submitted to State: 9/30/05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) WILSON WARD CPA FIRM			
Street Address PO BOX 205		City INTERLOCHEN	State MI
Accountant Signature <i>Wilson Ward CPA Firm</i>		ZIP 49643	Date 9/30/05

FILER TOWNSHIP
MANISTEE, MICHIGAN

Audit Report

For Year Ended
March 31, 2005

Wilson, Ward CPA Firm
PO Box 205
Interlochen, MI 49643
(231) 276-7668

WILSON, WARD CPA FIRM

P.O. Box 205
3015 M-137
Interlochen, MI 49643

(231) 276-7668

Fax: (231) 276-7687

E-mail: wilson@wilsonward.com

June 14, 2005

Supervisor
Filer Township
Manistee, MI 49660

The primary purpose of this letter is to prepare, for management, information which delineates those items encountered during the course of the audit which were either not related to the financial, internal control and compliance reports or were not material enough to comment on relative to them. However, these items might be significant when viewed from a management perspective or in the longer term. This letter is intended only for the use of management and any other parties not informed of these matters might misconstrue their meanings.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with general accepted accounting principles. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Filer Township. Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for safeguarding assets and for maintaining the structure of the internal control system to help assure the proper recording of transactions. Our consideration of the system of internal control was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

Significant Accounting Policies

Management has the responsibility for selection of appropriate accounting policies. In accordance with the terms of our engagement, we will advise management of the appropriateness of the accounting policies and their application. The significant accounting policies used by the Filer Township are listed in Note 1. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into the Filer Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, of transactions for which there is a lack of authoritative guidance or consensus.

Management Judgements and Accounting Estimates

Some accounting estimates are utilized in financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Our conclusions regarding the reasonableness of the estimates are based on reviewing and testing the historical data provided by management and using this data to compute the liability.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Filer Township that could potentially cause future financial statements to be materially misstated, even though we have concluded such adjustments are not material to the current financial statements. Our audit adjustments, individually and in the aggregate, have a significant effect on the financial reporting process.


With each passing year the improvements in the mechanized accounting system used by the Clerk continue. With continuation of increased utilization of the accounting system and particularly with the conversion of the Treasurer functions this system will allow for enhanced reporting and financial management.

Comment: Clerk and Treasurer reconciliations should be performed monthly.

Recommendation: At the time of fieldwork the township was in the process of implementing new procedures to rectify this situation.

This information is intended solely for the use of the Filer Township Board and management of Filer Township and is not intended to be and should not be used by anyone other than those specific parties.

Sincerely,

A handwritten signature in black ink that reads "Wilson Ward CPA Firm". The signature is written in a cursive, flowing style.

Wilson, Ward CPA Firm

FILER TOWNSHIP
TABLE OF CONTENTS

Page No.

1	<u>INTRODUCTORY SECTION</u>
2	Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
3	<u>FINANCIAL SECTION</u>
4	Independent Auditor's Report
5-7	Management Discussion and Analysis
8	<u>Government Wide Statements</u>
9	Statement of Net Assets
10	Statement of Revenues, Expenditures and Changes in Net Assets
11	<u>Fund Statements</u>
12	Balance Sheet - All Governmental Fund Types
13	Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types
14	Comparative Balance Sheet - Proprietary Fund Type
15	Statement of Revenues, Expenditures, and Changes in Retained Earnings - Proprietary Fund Type
16	Statement of Cash Flow - Proprietary Fund Type
17	Balance Sheet - Downtown Development Authority
18	Statement of Revenues, Expenditures, and Changes in Fund Balance - Downtown Development Authority
19	Balance Sheet - Economic Development Commission
20	Statement of Revenues, Expenditures, and Changes in Fund Balance - Economic Development Commission
21-27	Notes to Financial Statements
28	<u>SUPPLEMENTAL DATA SECTION</u>
29	Report Letter
30	<u>General Fund</u>
31	Balance Sheet - General Fund
32-35	Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs. Actual General Fund
36	<u>Special Revenue Funds</u>
37	Combining Balance Sheet
38	Balance Sheet - Fire Fund
39	Balance Sheet - Liquor Law Enforcement Fund
40	Combining Statement of Revenues, Expenditures and Changes in Fund Balance
41	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget vs, Actual - Special Revenue Funds
42	Statement of Revenues, Expenditures, and Changes in Fund Balance - Fire Fund
43	Statement of Revenues, Expenditures, and Changes in Fund Balance - Liquor Law Enforcement Fund

FILER TOWNSHIP
TABLE OF CONTENTS

Page No.

44	<u>Capital Project Funds</u>
45	Balance Sheet - Fire Hall Capital Projects Fund
46	Statement of Revenues, Expenditures & Changes in Fund Balance - Fire Hall Capital Projects Fund
47	<u>Proprietary Funds</u>
48	Statement of Net Fixed Assets
49	Statement of Changes in Fixed Assets
50	<u>Debt Service Funds</u>
51	Balance Sheet- Fire Hall Debt
52	Statement of Revenues, Expenditures & Changes in Fund Balance- Debt Service

INTRODUCTORY SECTION

WILSON, WARD CPA FIRM

P.O. Box 205
3015 M-137
Interlochen, MI 49643

(231) 276-7668
Fax: (231) 276-7687
E-mail: wilson@wilsonward.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Lake Township Board
Manistee, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Filer Charter Township, Benzie County, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Filer Charter Township's basic financial statements and have issued our report thereon dated June 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Filer Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Filer Charter Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain matters that we reported to management of Filer Charter Township in a separate letter dated June 14, 2005.

This report is intended solely for the information and use of the audit committee, management, township board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wilson Ward CPA Firm

Interlochen, MI
June 14, 2005

FINANCIAL SECTION

WILSON, WARD CPA FIRM

P.O. Box 205
3015 M-137
Interlochen, MI 49643

(231) 276-7668
Fax: (231) 276-7687
E-mail: wilson@wilsonward.com

INDEPENDENT AUDITOR'S REPORT

To the Filer Charter Township Board
Manistee, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Filer Charter Township, Manistee County, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Filer Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Filer Township as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2005, on our consideration of the Filer Charter Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Filer Charter Township's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wilson Ward CPA Firm

Interlochen, MI
June 14, 2005

CHARTER TOWNSHIP OF FILER

Management's Discussion and Analysis

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets decreased 8% from a year ago - decreasing from \$1,919,749 to \$1,772,269. Due to a significant increase in real Capital Assets.

This year was the first year for the implementation of GASB 34 with the resulting changes in the financial position as reflected on the Governmental Funds Balance Sheet, Statement of Net Assets.

The Township's Funds

The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities such as special property tax millages.

The General Fund, Fire Operating Fund, Liquor Law Fund and Water Operating & Maintenance Fund pay for most of the Township's governmental services.

Fund Budgetary Highlights:

Over the course of the year the Township Board was able to maintain the township departments within their prescribed budgets

Capital Asset and Debt Administration:

As of March 31, 2004, the Township had \$1,283,393 invested in a broad range of capital assets, including buildings and fire equipment and municipal Water Department equipment. In addition, the Township has invested significantly in major and local roads within the Township. These assets are not reported in the Township's financial statements because of Michigan law which makes these roads the property of the

County Road Commission (along with the responsibility to maintain them).

At the end of the 2004-2005 fiscal year, the Charter Township of Filer has invested in a broad range of capitol assets, including the Township Hall on Filer City Road., the Fire Department along with the new addition at 2706 Nelson Street, three Water Department pump houses and a second water tower on Red Apple Road, five Fire and one Water Department truck. A Recreation Center on Oak Drive and two parks are also listed as assets as well as an accu-vote, Western Plow, and meeting hall table.

Economic Factors and Next Year's Budgets and Rates:

Filer Townships's 2005-2006 budget calls for voted millage of 1.5 mills for the General Fund, .5 mil for the Fire Department General Operating and 1 mil for Garbage Operating all subject to the Headlee Rollback. Monies generated by these millages go to provide state mandated services, the services of our Fire Department, weekly trash pickup and a spring trash collection as well as grass and leaf dumpsters, secretarial services and maintenance and custodial services.

The above can be accomplished by voted millage and the growth in our tax base. Because of the impact of Proposal A, however, the Township needs to continue to watch its budget very closely. The state-wide tax reform act limits growth in taxable value by less than inflation. The mathematical result of this is that the total taxable value for the Township will grow less than by inflation, before considering new property additions.

General Overview of the Accomplishments of the Charter Township of Filer in the 2004-2005 Fiscal Year:

Adopted an updated master plan

Approved an independent contractor agreement from the Public Education and Government Commission

Approved widening and graveling approximately 3/4 mile of Wildwood Rd. for a cost of \$32141.93 which paid the township portion of the project.

Completed water tower Red Apple Rd. For a cost of \$537,000.

Approved purchase of a 208 volt two stage compressor for the Fire Department for an amount not to exceed \$1,500.

Purchased a 1,800 gallon tanker truck with a 500 gallon pump for a cost not to exceed \$140,000

Adopted an ordinance granting a non-exclusive cable television

franchise to CC Michigan LLC doing business as Charter Communications.

Approved Mutual Aid Agreement with Manistee County Fire Department.

Approved purchase of Nobilis Computer System and tax collection software for a cost of \$3,026.

Purchased a Power Drive for the Water Department for a cost not to exceed \$1,340.

Approved a three year contract agreement with Shoreline Waste Services for garbage, trash and rubbish collection.

Contacting the Township's Management:

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at (231) 723-3138.

Government Wide Statements

Filer Township, Michigan
Statement of Net Assets
All Fund Types Discreetly Presented Component Units
As Of March 31, 2005

	Governmental Activities	Business-Type Activities	Total Governmental Funds	Discreetly Presented Component Units
Assets				
Cash and Investments	\$1,369,813	\$355,459	\$1,725,272	\$305,203
Accounts Receivable	3	3,954	3,957	
Taxes Receivable	8,599	0	8,599	
Special Assessments Receivable	39,361	0	39,361	
Unbilled Receivable	0	25,917	25,917	
Prepaid Insurance	7,740	0	7,740	
Due From Other Agencies	28,837	0	28,837	
Due From Other Funds	128,228	28,000	156,228	
Net Capital Assets	1,180,584	93,608	1,274,192	
Total Assets	2,763,165	506,938	3,270,103	305,203
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	968	0	968	
Accrued Salaries & Wages	0	224	224	
Deferred Revenue	0		0	
Due to Other Agencies	0		0	28,837
Due to Other Funds	30,022		30,022	
Notes Payable	835,000		835,000	
Compensated Absences	9,083	198	9,281	
Total Liabilities	875,073	422	875,495	28,837
Net Assets				
Restricted	339,359	55,475	394,834	
Unrestricted	1,548,733	451,041	1,999,774	276,366
Total Fund Equity	1,888,092	506,516	2,394,609	276,366
Total Liabilities and Fund Balance	\$2,763,165	\$506,938	\$3,270,103	\$305,203

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Net Assets
All Governmental Fund Types and Discreetly Presented Component Units
For the Year Ended March 31, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets				Component Unit
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary Government		Total	
			Contributions	Activities		Governmental Activities	Business-type Activities		
Primary government									
Governmental activities:									
General government		\$0							
Public safety	\$259,923					(\$259,923)		(\$259,923)	
Public works	22,700					(22,700)		(22,700)	
Health and Recreation	276,414					(276,414)		(276,414)	
Community and Economic Development	5,105					(5,105)		(5,105)	
Depreciation on Fixed Assets	0					0		0	
Interest on Long Term Debt	42,469					(42,469)		(42,469)	
Total Governmental Activities	108,541					(108,541)		(108,541)	
Total Governmental Activities	715,151	0	0	0	0	(715,151)		(715,151)	
Business Type Activities									
Water and Sewer	286,589	148,850					(137,739)	(137,739)	
Total Primary Government Component Units	6,678								
General revenues:									
Taxes									
Property Taxes-general						419,686		419,686	
Property Taxes-debt service						34,734		34,734	
State-Shared Revenues						147,261		147,261	
Unrestricted Investment Earnings						22,961		22,961	3,269
Franchise taxes						24,638		24,638	
Miscellaneous						29,577	26,552	56,129	84,914
Transfers								0	
Total General Revenue-Special Items and Transfers						678,858	26,552	705,410	88,183
Changes in Net Assets						(36,294)	(111,187)	(147,480)	81,505
Net Assets - Beginning						1,514,426	562,228	1,919,749	194,861
Net Assets - Ending						\$1,478,132	\$451,041	\$1,772,269	\$276,366
Reconciliation									
Change in Net Assets						(\$36,294)			
Add: Depreciation						42,469			
Less:									
Payment of Long Term Debt						0			
Purchase of Fixed Assets						(70,998)			
Change in Fund Balance						(\$64,823)			

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Fund Statements

Filer Township, Michigan
Balance Sheet
All Governmental Fund Types and Discretely Presented Component Units
As Of March 31, 2005

Assets	General Fund	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Discretely Presented Component Units	Total
Cash and Investments	\$939,012	\$226,368	\$204,433	\$1,369,813	\$305,203	\$1,675,015
Accounts Receivable	3		0	3		3
Taxes Receivable	8,599			8,599		8,599
Special Assessments Receivable	39,361		0	39,361		39,361
Unbilled Receivable	28,837		0	28,837		28,837
Prepaid Insurance	128,228		0	128,228		128,228
Due From Other Agencies	7,740		0	7,740		7,740
Due From Other Funds	0		0	0		0
Net Capital Assets						
Total Assets	1,151,780	226,368	204,433	1,582,581	305,203	1,887,784

Liabilities and Fund Balance

Liabilities

Accounts Payable	968			968		968
Accrued Salaries & Wages	0		0	0		0
Deferred Revenue	0		0	0		0
Due to Other Agencies	0		0	0		0
Due to Other Funds	0		0	0		0
Notes Payable	28,000	1,892	130	30,022	28,837	30,022
Compensated Absences	9,083		0	9,083		9,083
Total Liabilities	38,051	1,892	130	40,073	28,837	68,910

Fund Equity

Fund Balances:

Reserved		160,000	179,359	339,359		339,359
Unreserved	1,113,729	64,476	24,944	1,203,149	276,366	1,479,515
Total Fund Equity	1,113,729	224,476	204,303	1,542,508	276,366	1,818,874
Total Liabilities and Fund Balance	\$1,151,780	\$226,368	\$204,433	\$1,582,581	\$305,203	\$1,887,784

Reconciliation with Governmental:

Fund Balance	\$1,542,508
Less: Long Term Debt	(835,000)
Add: Net Capital Assets	1,180,584
Net Assets	\$1,888,092

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types and Discreetly Presented Component Units
For the Year Ended March 31, 2005

Revenues	General Funds	Fire Operating Fund	Other Non Major Funds	Total Governmental Funds	Component Units	Total Governmental
Taxes						
Licenses	\$357,714	\$61,973	\$34,734	\$454,420	\$84,914	\$539,334
State of Michigan	4,028		0	4,028		4,028
Charges for Services	147,261		0	147,261		147,261
Interest & Rentals	0		0	0		0
Other Revenues	17,911	2,618	2,432	22,961	3,269	26,230
Donations	6,595	13,459	5,494	25,549	0	25,549
Cable Franchise Fees	0		0	0		0
Reimbursements	24,638		0	24,638		24,638
Total Revenues	558,147	78,050	42,660	678,858	88,183	767,041
Expenditures						
Current						
Legislative	120,970		0	120,970	0	120,970
General Government	138,952		0	138,952	6,678	145,630
Planning and Zoning	28,109		0	28,109	0	28,109
Public Works	182,627		65,677	248,304	0	248,304
Recreation	5,105		0	5,105	0	5,105
Public Safety		126,656	(103,956)	22,700	0	22,700
Miscellaneous	0		108,541	108,541	0	108,541
Capital Outlay	0		70,998	70,998	0	70,998
Total Expenditures	475,764	126,656	141,260	743,681	6,678	750,359
Excess Revenue (Expenditures)	82,383	(48,606)	(98,600)	(64,823)	81,505	16,682
Operating Transfers In	0		89,810	89,810		89,810
Operating Transfers (Out)	0		0	0		0
Proceeds from Debt	0	0	0	0		0
Fund Balance/Retained Earnings - Beginning of Year	1,031,346	113,082	213,093	1,357,521	194,861	1,552,382
Fund Balance/Retained Earnings - End of Year	\$1,113,729	\$64,476	\$204,303	\$1,382,508	\$276,366	\$1,658,874

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Comparative Balance Sheet
Proprietary Fund Type-Water Fund**

March 31, 2004 & 2005

<u>Assets</u>	<u>March 31, 2004</u>	<u>March 31, 2005</u>
Current Assets		
Cash	\$464,389	\$355,459
Accounts Receivable	3,954	3,954
Due From General Fund	28,000	28,000
Unbilled Receivable	<u>25,917</u>	<u>25,917</u>
Total Current Assets	<u>522,260</u>	<u>413,330</u>
Fixed Assets		
Plant, Property, & Equipment	429,395	429,395
Less: Accumulated Depreciation	<u>(326,586)</u>	<u>(335,787)</u>
Total Fixed Assets	<u>102,809</u>	<u>93,608</u>
Total Assets	<u><u>625,069</u></u>	<u><u>506,938</u></u>
 <u>Liabilities & Fund Balance</u>		
Current Liabilities		
Accounts Payable	0	0
Accrued Salaries & Wages	224	224
Long Term Debt		
Compensated Absences	<u>198</u>	<u>198</u>
Total Liabilities	<u>422</u>	<u>422</u>
Fund Equity		
Contributed Capital - Federal & State	328,000	328,000
- Local	32,392	32,392
Less: Amortization	<u>(297,973)</u>	<u>(304,917)</u>
Net Contribution Capital	62,419	55,475
Retained Earnings	<u>562,228</u>	<u>451,041</u>
Total Fund Balance	<u>624,647</u>	<u>506,516</u>
Total Liabilities & Fund Balance	<u><u>\$625,069</u></u>	<u><u>\$506,938</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Retained Earnings
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2005

	<u>Actual</u>
<u>Operating Revenues</u>	
Meter Sales	\$148,850
Total Revenues	<u>148,850</u>
<u>Operating Expenses</u>	
Administration	44,345
Labor, Ins and Fica	38,693
Office Supplies	221
Operating Supplies	12,160
Printing	295
Public Utilities	10,179
Repairs & Maintenance	2,542
Miscellaneous	0
Professional Services	8,745
Depreciation	2,279
JP Morgan	0
Vehicle	330
Capital Expenditures	<u>173,745</u>
Total Operating Expenses	<u>293,533</u>
Operating Income	(144,683)
<u>Non-Operating Income</u>	
Interest	4,168
Transfer from General-Hydrant Rental	4,000
Miscellaneous	18,385
Amortization Charges to Contributed Capital	<u>6,944</u>
Net Income - Current Period	(111,187)
Retained Earnings - Beginning of Year	<u>562,228</u>
Prior Period Adjustment	0
Retained Earnings - End of Year	<u><u>\$451,041</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Statement of Cash Flow
Proprietary Fund Type-Water Fund**

For The Year Ended March 31, 2004

Cash Flow from Operating Activities

Operating Income	(\$144,683)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	2,279
Hydrant Rental	4,000
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	0
Increase in Accounts Payable	0
Decrease in Unbilled Receivable	<u>0</u>
Net Cash Provided by Operating Activities	(138,404)

Cash Flow from Investing Activities

Interest Income	4,146
Purchase of Fixed Assets	0
Change in Contributed Capital	6,944
Miscellaneous	18,385
Decrease in Due From General Fund	<u>0</u>
Total Increase from investing	29,474
Net Increase in Cash	(108,930)
Cash Beginning of Year	<u>464,389</u>
Cash at End of Year	<u><u>\$355,460</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Downtown Development Authority**

For the Year Ended March 31, 2005

	Actual Year Ended <u>March 31, 2005</u>	
<u>Assets</u>		
Cash	\$303,930	
Taxes Receivable	<u>0</u>	
Total Assets		<u>303,930</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts Payable	0	
Deferred Revenue	0	
Due to Other Units	<u>28,837</u>	
Total Liabilities		28,837
Fund Equity		
Fund Balances:		
Unreserved	<u>275,093</u>	
Total Fund Equity		<u>275,093</u>
Total Liabilities and Fund Balance		<u>\$303,930</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Downtown Development Authority

For the Year Ended March 31, 2005

	Actual Year Ended March 31, 2005	
<u>Revenue</u>		
Revised Debt GF	\$0	
Interest Income	3,264	
Misc Revenue	<u>84,914</u>	
Total Revenue		88,178
<u>Expense</u>		
Utilities	0	
Christmas Lights	0	
Capital Outlay	0	
Legal	0	
Contract Svs	<u>6,678</u>	
Total Expense		<u>6,678</u>
Increase (Decrease) in Revenue		81,500
Fund Balance April 1, 2004		<u>193,593</u>
Fund Balance March 31, 2005		<u><u>\$275,093</u></u>

**Filer Township
Balance Sheet
Economic Development Commission**

For the Year Ended March 31, 2005

	Actual Year Ended March 31, 2005	
<u>Assets</u>		
Cash	\$1,273	
Taxes Receivable	0	
Total Assets		<u>1,273</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Total Liabilities		0
Fund Equity		
Fund Balances:		
Unreserved	1,273	
Total Fund Equity		<u>1,273</u>
Total Liabilities and Fund Balance		<u>\$1,273</u>

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
Economic Development Commission

For the Year Ended March 31, 2005

	Actual Year Ended March 31, 2005
<u>Revenue</u>	
Revised Debt GF	\$0
Interest Income	5
Misc Revenue	<u>0</u>
Total Revenue	5
<u>Expense</u>	
Legal	0
Misc	<u>0</u>
Total Expense	<u>0</u>
Increase (Decrease) in Revenue	5
Fund Balance April 1, 2004	<u>1,268</u>
Fund Balance March 31, 2005	<u><u>\$1,273</u></u>

**FILER TOWNSHIP
FOOTNOTES TO FINANCIAL STATEMENTS**

1. Summary of Significant Accounting Policies

The accounting policies of the Township conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies.

A. Reporting Entity

Filer Township is a Charter Township located in Manistee County, Michigan. The Township is governed by an elected seven member board. Services are provided to approximately 2,000 residents and include fire protection, road maintenance, rubbish removal, water distribution and general community enrichment services. The criteria established for determining the various agencies and boards to be included in the Township's general purpose financial statements depends on the extent such agencies and boards are a part of, controlled by or dependent on the Township. The criterion used to determine the reporting entity, "is the ability to exercise oversight responsibility over such agencies by the governmental unit's elected officials". As such, the Township has incorporated the Downtown Development Authority and the Economic Development Commission as Component Units of the Township which requires a discreet presentation in accordance with GASB 14. Thus, two totals (as memo only) are included in the presentation of the statements which are the primary government and a total which includes both primary government and component units.

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Summary of Significant Accounting Policies

Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Basis of Accounting

Basis of Accounting refers to how revenue and expenditures or expenses are recognized in the account and reported in the financial statements. The basis of accounting, as required under generally accepted accounting principles, varies for each fund.

General, special revenue, debt service, capital projects and trust and agency funds should be accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized in the accounting period in which it becomes available and measurable. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

The accounting policies of Filer Township conform to generally accepted accounting principles and include the following fund types

1. Government Fund Types use modified accrual basis and include -

The *general funds* account for fiscal resources in use for general types of operations. The general fund is a budgeted fund and any fund balances are considered as resources available for use. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

The *special revenue funds* account for specific governmental revenues requiring separate accounting because of legal or regulatory provisions or administrative action. These funds are employed to maintain integrity for the various sources of fund.

The *capital projects funds* account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest recorded in the General Long-Term Debt Account Group.

2. Fiduciary fund types include -

The *Trust and Agency Fund* is unbudgeted and accounts for activities within those areas wherein the Township is operating in either a trust or agency status. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the Township.

3. Proprietary fund types include -

The *enterprise funds* use the full accrual basis for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net

income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

D. Fixed Assets

All Proprietary funds are accounted for on a cost of service measurement focus. The operating statements present increases and decreases in net total assets. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Proprietary funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	25 years
Plant	Straight Line	50 years

E. Fixed Assets - Governmental Funds

All Governmental funds are accounted for on a modified accrual basis of accounting. All capital outlay is expensed in the appropriated fund. Under GASB 34. All fixed assets (net of accumulated depreciation) and long term debt are booked on the balance sheet as Net Assets and Long Term Debt. Depreciation of all fixed assets is charged as an expense against their operations. Accumulated depreciation is reported on the balance sheet. Depreciation for the Governmental Funds is computed as follows:

<u>Description</u>	<u>Method</u>	<u>Life</u>
Equipment	Straight Line	5 to 25 years
Plant	Straight Line	30 to 50 years

D. Budgets and Budgetary Accounting

The general fund and enterprise fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis the same as the modified accrual basis used to reflect operations and include those amounts formally appropriated by the Township Board.

2. Excess of Expenditures over Appropriations

The local unit shall not incur expenditures in excess of appropriations. This also requires a disclosure of all such functional areas which exceeded budget. As such, a budgeted statement is included in the supplementary data portion of these financial statements.

The expenditures were all approved by the Board except for those which occurred as accounts payable at year end.

3. Financial Control of Funds

As authorized by Act 20, Public Act of 1943, as amended, states that the Township, by resolution may authorize its treasurer to invest surplus funds in the following manner:

1. Direct obligations of the United States or an agency or instrumentality of the United States.
2. In any account or depository which is a member of the F.D.I.C. or a savings and loan which is a member of the Federal Savings and Loan Insurance Corporation, or a credit union which is insured by the National Credit Union Administration.
3. Fifty percent of the funds may be invested in commercial paper rated at the time of purchase within the three highest classifications by not less than two standard rating agencies and which mature not more than 270 days following the date of purchase.
4. In United States Government of federal agency obligations repurchase agreements.
5. In bankers acceptances of the United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment of local units of government in Michigan.

4. Cash and Investments

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by Act No. 217, Public Acts of 1982, states the Authority by which Treasurers may invest funds and includes the following:

- a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is eligible to be a depository of funds belonging to the state under a law or rule of this state or the United States.
- c) Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.
- d) Repurchase agreements consisting of instruments listed in subdivision (a).
- e) Bankers' acceptances of United States banks.
- f) Obligations of this state or any of its political subdivisions that at the time of

purchase are rated as investment grade by not less than 1 standard rating service.

g) Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 USC 80a-1 to 80a-3 and 80a-4 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of either of the following:

i) The purchase of securities on a when-issued or delayed delivery basis.

ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.

iii) The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.

h) Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967.

i) Investment pools organized under the surplus funds investment pool act, 1982 PA 367.

j) The investment pools organized under the local government investment pool act, 1985 PA 121. In bonds, securities and other obligations of the United States, or an agency or instrumentality of the United States, in which the principal and interest is fully guaranteed by the United States.

B. Deposits of the Township are as authorized by the Township Board and the Board of the Component Unit. A summary of these accounts and amounts is included in the supplemental data section of this report. All funds of Filer Township have been invested in those depositories or investments as authorized by Michigan Compiled Laws Section 129.91. The balance sheet account for all funds includes all cash, investments and imprest (petty cash) funds.

In accordance with GASB Statement No. 3, risk disclosures must be made to indicate the amounts of cash insured or uninsured. A general summary of these assets is as follows:

	<u>Carrying Value</u>
Insured	\$ 264,251
Uninsured	\$ 1,343,813

The Township also has \$251,000 invested in certificates of deposit.

The Downtown Development Authority has all of its cash and investments in a single savings account with a balance of \$222,430.

	<u>Carrying Value</u>
Insured	\$100,000
Uninsured	122,430

The Economic Development Commission has all of its cash in a single savings account with a balance of \$1,268 which is insured and has a bank balance of \$1,268.

6. Long Term Debt

The Long Term Debt of Filer Township consists of and \$850,000 general obligation bond titled 2002 General Obligation Unlimited Tax Bond. The interest due is payable semiannually on April 1 and November 1 and the principal is payable on these bonds as follows:

	Principal	Interest
April 1, 2005	15,000	21,984
November 1, 2005		21,984
April 1, 2006	15,000	21,634
November 1, 2006		21,634
April 1, 2007	20,000	21,109
November 1, 2007		21,109
April 1, 2008	20,000	20,584
November 1, 2008		20,584
April 1, 2009	20,000	19,884
November 1, 2009- April 1, 2014	175,000	184,118
November 1, 2014- April 1, 2019	310,000	159,658
November 1, 2019- April 1, 2022	<u>260,000</u>	<u>56,459</u>
Total	835,000	608,252

5. Use Of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

6. Pension Plan

The Township participates in a defined contribution pension plan covering all elected officials; the Fire Chief, Water Department Foreman, Pool Manager and all other full-time employees. The Township contributes 75% of the premium, based on annual compensation while plan members contribute the remaining 25%. Plan members may make additional voluntary contributions. The Township's contribution for the year ended March 31, 2004 amounted to \$3,043.

7. Compensated Absences and Post Employment Benefits

The Township pays for compensated absences which are reflected in the balance sheet. They do not have any post employment benefits.

8. Reserved Fund Balance

A portion of the unreserved fund balance has been designated for specific purposes as indicated on the Balance Sheet.

10. Risk Management

The Township carries commercial insurance as a protection against risk.

SUPPLEMENTAL SECTION

WILSON, WARD CPA FIRM

P.O. Box 205
3015 M-137
Interlochen, MI 49643

(231) 276-7668
Fax: (231) 276-7687
E-mail: wilson@wilsonward.com

To the Board of Trustees
Filer Charter Township, MI

We have audited the combined financial statements of the Filer Charter Township, Michigan for the year ended March 31, 2005. Our audits were made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedules, as listed in the table of contents, are presented for purposes of the additional analysis and are not a required part of the combined financials statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Wilson Ward CPA Firm

Interlochen, MI
June 14, 2005

General Fund

**Filer Township
Balance Sheet
General Fund**

As Of March 31, 2005

Assets

Cash In Bank and Investments	939,012
Accounts Receivable	3
Taxes Receivable	8,599
Special Assessments Rec	39,361
Due From Other Agencies	28,837
Due From Other Funds	128,228
Prepaid Insurance	7,740
Construction Work In Progress	0
Total Assets	<u>1,151,780</u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	968
Accrued Salaries & Wages	0
Deferred Revenue	0
Due To Other Funds	28,000
Accrued Benefits	9,083
Total Liabilities	<u>38,051</u>

Fund Balance

Reserved for Equipment Replacement	0
Unreserved	1,113,729
Total Fund Balance	<u>1,113,729</u>

Total Liabilities and Fund Balance	<u>\$1,151,780</u>
------------------------------------	--------------------

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget Vs Actual
General Fund

For the Year Ended March 31, 2005

	Original Budget Year Ended March 31, 2005	Amended Budget Year Ended March 31, 2005	Actual Year Ended March 31, 2005	Variance Favorable (Unfavorable)
Revenue				
Current Property Taxes	\$282,500	\$282,500	\$299,101	\$16,601
Delinquent Taxes	20,000	20,000	9,084	(10,916)
Penalties on Taxes	50	50	509	459
Admin Fees	42,000	42,000	49,020	7,020
Licenses and Permits	4,000	4,000	4,028	28
State Shared Revenues	144,000	144,000	147,261	3,261
Use Fees	0	0	1,449	1,449
Charge for Services	500	500	0	(500)
Earned Interest	12,000	12,000	13,671	1,671
Rents and Royalties	2,500	2,500	4,240	1,740
Cable Franchise	21,000	21,000	23,189	2,189
Misc	0	0	6,595	6,595
Total Revenues	528,550	528,550	558,147	29,597
Reimbursements	0	0	0	0
Total Receipts	528,550	528,550	558,147	29,597
Expenditure				
Legislative				
Township Board:				
Salaries and Wages	35,000	35,000	37,420	(2,420)
Benefits	16,500	16,500	16,988	(488)
Pension	8,000	8,000	2,838	5,162
Office Supplies	800	800	21	779
Professional Services	50,000	50,000	32,229	17,771
Mileage	2,500	2,500	3,186	(686)
Printing and Advertising	6,000	6,000	12,577	(6,577)
Insurance and Bonds	12,000	12,000	13,645	(1,645)
Misc	1,000	1,000	2,065	(1,065)
Total Township Board	131,800	131,800	120,970	10,830
General Government:				
Township Supervisor:				
Salaries and Wages	13,280	13,280	12,000	1,280
Office Supplies	300	300	0	300
Mileage	500	500	0	500
Misc	0	0	0	0
Total Township Supervisor	14,080	14,080	12,000	2,080
Elections:				
Salaries and Wages	3,000	3,000	3,185	(185)
Office Supplies	500	500	267	233
Prof Services	3,000	3,000	2,923	77
Printing	500	500	208	292
Total Elections	\$7,000	\$7,000	\$6,584	\$416

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2005

	Original Budget Year Ended March 31, 2005	Amended Budget Year Ended March 31, 2005	Actual Year Ended March 31, 2005	Variance Favorable (Unfavorable)
Assessor:				
Salaries and Wages	\$0	\$0	\$40	(\$40)
Supplies	500	500	1,379	(879)
Professional Services	25,925	28,925	27,765	1,160
Mileage and Travel	0	0	0	0
Publications	0	0	0	0
Insurance	0	0	0	0
Misc	0	0	66	(66)
Total Assessor	26,425	29,425	29,250	175
Clerk:				
Salaries and Wages	13,880	13,880	13,030	850
Office Supplies	500	500	0	500
Mileage	700	700	393	307
Misc	1,000	1,000	680	320
Total Clerk	16,080	16,080	14,103	1,977
Board of Review:				
Salaries	1,000	1,000	1,140	(140)
Misc	0	0	236	(236)
Total Board of Review	1,000	1,000	1,376	(376)
Treasurer:				
Salaries and Wages	13,880	17,880	16,012	1,868
Office Supplies	120	120	93	27
Telephone	150	150	0	150
Mileage	500	500	182	318
Printing	0	0	270	(270)
Total Treasurer	14,650	18,650	16,557	2,093
Township Hall and Grounds:				
Salaries & Wages	11,800	11,800	13,339	(1,539)
Benefits	5,602	20,602	8,704	11,898
Supplies	7,500	7,500	10,895	(3,395)
Prof Services	4,000	4,000	3,847	153
Telephone	3,000	3,000	3,828	(828)
Public Utilities	3,000	3,000	3,143	(143)
Repairs	4,000	4,000	4,468	(468)
Misc.	500	500	4,266	(3,766)
Total Township Hall	\$39,402	\$54,402	\$52,489	\$1,913

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2005

	Original Budget Year Ended March 31, 2005	Amended Budget Year Ended March 31, 2005	Actual Year Ended March 31, 2005	Variance Favorable (Unfavorable)
Other Township Bldgs and Grounds:				
Salaries & Wages	\$400	\$400	\$91	\$309
Benefits	1,000	1,000	0	1,000
Supplies	0	0	534	(534)
Prof Services	0	0	196	(196)
Telephone	0	0	0	0
Public Utilities	0	0	1,164	(1,164)
Repairs	7,000	7,000	4,101	2,899
Misc.	500	500	507	(7)
Total Other Bldgs and Grounds	8,900	8,900	6,593	2,307
 Total General Government	 128,037	 150,037	 138,952	 11,085
Planning and Zoning:				
Salaries and Wages	16,000	16,000	14,397	1,604
Supplies	300	300	107	193
Professional Services	15,000	15,000	12,531	2,469
Mileage	700	700	683	17
Printing	1,500	1,500	390	1,110
Misc	0	0	1	(1)
Total Planning and Zoning	33,500	33,500	28,109	5,391
Public Works:				
Street Lighting	30,000	35,162	29,778	5,384
Highway Drains	2,000	2,000	2,000	0
Road Work	34,000	45,188	27,096	18,092
Infrastructure Capital Outlay	0	0	0	0
Total Public Works	66,000	82,350	58,875	23,475
Recreation and Cultural:				
Parks Recreation and Memorial				
Salaries	5,500	5,500	3,624	1,877
Operating Supplies	0	0	1,442	(1,442)
Professional Services	25,000	25,000	40	24,960
Maintenance	500	500	0	500
Misc	3,500	3,500	0	3,500
Public Utilities	0	0	0	0
Total Parks and Recreation	\$34,500	\$34,500	\$5,105	\$29,395

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund

For the Year Ended March 31, 2005

	Original Budget Year Ended March 31, 2005	Amended Budget Year Ended March 31, 2005	Actual Year Ended March 31, 2005	Variance Favorable (Unfavorable)
Garbage Pick Up	\$110,000	\$108,000	\$123,752	(\$15,752)
Total Expenditures	<u>503,837</u>	<u>540,187</u>	<u>475,764</u>	<u>64,423</u>
Excess Revenues			82,383	
OTHER FINANCING SOURCES				
Operating Transfers In(Out)			0	
Excess Revenue & Other Financing Uses Over (Under) Expenditures			82,383	
Fund Balance - Beginning of Year			<u>1,031,346</u>	
Prior Period Adjustment			0	
Fund Balance - End of Year			<u><u>\$1,113,729</u></u>	

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Special Revenue Fund

**Filer Township
Combining Balance Sheet
Special Revenue Funds**

As Of March 31, 2004

	Fire Fund	Liquor Law Enforcement Fund	Total
Assets			
Cash in Bank	\$226,368	\$24,369	\$250,737
Taxes Receivable	0		0
Total Assets	<u>226,368</u>	<u>24,369</u>	<u>250,737</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	0	0	0
Due to General Fund	1,892	130	2,022
Total Liabilities	<u>1,892</u>	<u>130</u>	<u>2,022</u>
Fund Balance			
Reserved for Equipment Replacement	160,000		160,000
Unreserved	64,476	24,239	88,715
Total Fund Balance	<u>224,476</u>	<u>24,239</u>	<u>248,715</u>
Total Liabilities and Fund Balance	<u>\$226,368</u>	<u>\$24,369</u>	<u>\$250,737</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Fire Fund**

As Of March 31, 2005

<u>Assets</u>	
Cash In Bank	\$226,368
Taxes Receivable	0
Prepaid Insurance	0
Total Assets	<u>226,368</u>
<u>Liabilities and Fund Balance</u>	
Liabilities	
Accounts Payable	0
Due to General Fund	1,892
Total Liabilities	<u>1,892</u>
Fund Balance	
Reserved for Equipment Replacement	160,000
Unreserved	64,476
Total Fund Balance	<u>224,476</u>
Total Liabilities and Fund Balance	<u>\$226,368</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Balance Sheet
Liquor Law Enforcement Fund**

As Of March 31, 2005

<u>Assets</u>	
Cash In Bank	<u>\$24,369</u>
Total Assets	<u>24,369</u>
<u>Liabilities and Fund Balance</u>	
Due to General Fund	130
Accrued Salaries	0
Unreserved Fund Balance	<u>24,239</u>
Total Liabilites and Fund Balance	<u>\$24,369</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Special Revenue Funds

For The Year Ended March 31, 2005

	Fire Fund	Liquor Law Enforcement Fund	Total
Revenues			
Property Taxes	\$60,105		\$60,105
Delinquent Property Taxes	1,868		1,868
State of Michigan		4,079	4,079
Interest	2,618	0	2,618
Grants	0		0
Miscellaneous	13,459	2,876	16,335
Total Revenue	<u>78,050</u>	<u>6,955</u>	<u>85,005</u>
Expenditures			
Law Enforcement		1,721	1,721
Fire Protection	126,656		126,656
Total Expenditures	<u>126,656</u>	<u>1,721</u>	<u>128,377</u>
Excess Revenue (Expenditures)	(48,606)	5,234	(43,372)
Fund Balance - Beginning of Year	<u>113,082</u>	<u>19,005</u>	<u>132,087</u>
Prior Period Adjustment	0	0	0
Fund Balance - End of Year	<u>\$64,476</u>	<u>\$24,239</u>	<u>\$88,715</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Fund

For The Year Ended March 31, 2005

<u>Revenues</u>	
Property Taxes	\$60,105
Delinquent Property Taxes	1,868
Interest	2,618
Grant FEMA	0
Miscellaneous and Grant	13,459
Total Revenue	<u>78,050</u>
<u>Expenditures</u>	
Salaries & Wages	31,507
Employee Benefits	2,004
Supplies	30,085
Hydrant rental	2,000
Telephone	1,992
Travel	0
Insurance	0
Public Utilities	5,944
Miscellaneous	9,446
Repairs	3,678
Capital Expenditures	40,000
Total Expenditures	<u>126,656</u>
Excess Revenues (Expenditures)	(48,606)
Fund Balance - Beginning of Year	<u>113,082</u>
Prior Period Adjusts	0
Fund Balance - End of Year	<u><u>\$64,476</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Liquor Law Enforcement Fund

For The Year Ended March 31, 2005

<u>Revenues</u>	
Miscellaneous	\$2,876
Interest	0
State of Michigan	4,079
Total Revenues	<u>6,955</u>
<u>Expenditures</u>	
Salaries & Wages	1,699
Employee Benefits	22
Office Supplies	0
Miscellaneous	0
Total Expenditures	<u>1,721</u>
Excess Revenue (Expenditures)	5,234
Fund Balance - Beginning of Year	<u>19,005</u>
Prior Period Adjustment	0
Fund Balance - End of Year	<u><u>\$24,239</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Capital Project Funds

**Filer Township
Combined Balance Sheet
Fire Hall Capital Projects Fund**

As Of March 31, 2005

	Fire Hall Capital Projects Fund	Drinking Water Capital Projects Fund	Total
Assets			
Cash In Bank	\$705	\$0	\$705
Taxes Receivable			0
Due From State		0	0
Work In Process	0		0
Total Assets	<u>705</u>	<u>0</u>	<u>705</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable		0	0
Due to Debt Service Fund	0		0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Unreserved	705	0	705
Total Fund Balance	<u>705</u>	<u>0</u>	<u>705</u>
Total Liabilities and Fund Balance	<u>\$705</u>	<u>\$0</u>	<u>\$705</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Revenues, Expenditures & Changes in Fund Balance
Fire Hall Capital Projects Fund

As Of March 31, 2005

	Fire Hall Capital Projects Fund	Drinking Water Capital Projects Fund	Total
<u>Revenues</u>			
Proceeds From Bonds	\$0	\$0	\$0
Interest	0	0	0
Miscellaneous and Grant		0	0
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<u>Expenditures</u>			
Bond Costs	0		0
Misc Expenses	0		0
Capital Expenditures	<u>30,998</u>	0	<u>30,998</u>
Total Expenditures	<u>30,998</u>	<u>0</u>	<u>30,998</u>
Excess Revenues (Expenditures)	(30,998)	0	(30,998)
Fund Balance - Beginning of Year	<u>31,703</u>	0	<u>31,703</u>
Prior Period Adjustment	0	0	0
Fund Balance - End of Year	<u><u>\$705</u></u>	<u><u>\$0</u></u>	<u><u>\$705</u></u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Proprietary Funds

**Filer Township
Statement of Net Fixed Assets
Proprietary Fund Type-Water Fund**

For The Years Ended March 31, 2004 and 2005

<u>Assets</u>	March 31, 2004	March 31, 2005
Machinery & Equipment	<u>\$17,259</u>	<u>\$16,033</u>
Water System	<u>269,349</u>	<u>261,374</u>
	<u><u>\$286,608</u></u>	<u><u>\$277,407</u></u>

Depreciation:

Machinery and Equipment is depreciated on straight-line basis over 25 years.
Water System is depreciated on straight-line basis over 50 years.

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Statement of Changes in Fixed Assets
Proprietary Fund Type-Water Fund

For The Year Ended March 31, 2005

Assets				
	March 31, 2004 Balance	Additions	Deletions	March 31, 2005 Balance
Machinery and Equipment	\$30,648	\$0	\$0	\$30,648
Water System	398,747	0	0	398,747
Total Asset	429,395	0	0	429,395

Provision for Depreciation					
	Annual Rate	March 31, 2004 Balance	Depreciation	March 31, 2005 Balance	Net Book Value
Machinery & Equipment	4%	13,389	1,226	14,615	16,033
Water System	2%	129,398	7,975	137,373	261,374
		142,787	9,201	151,988	277,407
Amortization			6,944		
Depreciation			\$2,257		

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**Filer Township
Combining Balance Sheet
Debt Service Fund**

As Of March 31, 2005

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
Assets			
Cash in Bank	\$ 81,464	\$ 97,895	\$ 179,359
Receivable from Bond Funds	0	0	0
Due from General Fund			0
Total Assets	81,464	97,895	179,359
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	0	0	0
Due to General Fund	0	0	0
Total Liabilities	0	0	0
Fund Balance			
Reserved for Equipment Replacement			0
Unreserved	81,464	0	81,464
Total Fund Balance	81,464	97,895	179,359
Total Liabilities and Fund Balance	\$81,464	\$97,895	\$179,359

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

Filer Township
Combining Statement of Revenues, Expenditures & Changes in Fund Balance
Debt Service Fund

As Of March 31, 2005

	Fire Hall Debt Service Fund	Drinking Water Debt Service Fund	Total
<u>Revenues</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Property Taxes	\$34,734		\$34,734
State of Michigan		0	0
Interest	0	971	971
Miscellaneous	0	0	0
Total Revenue	<u>34,734</u>	<u>971</u>	<u>35,705</u>
<u>Expenditures</u>			
Payment of Principal	0	60,000	60,000
Interest	17,511	29,810	47,321
Total Expenditures	<u>17,511</u>	<u>89,810</u>	<u>107,321</u>
Excess Revenue (Expenditures)	17,223	(88,839)	(71,616)
Transfer from Receiving		89,810	
Transfer to Checking (Debt Payment)		1,220	
Fund Balance - Beginning of Year	<u>64,241</u>	<u>98,144</u>	<u>162,385</u>
Prior Period Adjustment	0		0
Fund Balance - End of Year	<u>\$81,464</u>	<u>\$97,895</u>	<u>\$179,359</u>

THE FOOTNOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS